Consolidated Financial Statements
(Stated in Canadian dollars – unless otherwise noted)

SPONSORSONE INC.

For the years ended December 31, 2013 and 2012

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Consolidated Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of SponsorsOne Inc.

We have audited the accompanying consolidated financial statements of SponsorsOne Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2013 and 2012 and the related statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of SponsorsOne Inc. as at December 31, 2013 and 2012, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements which highlight the existence of a material uncertainty relating to conditions that cast significant doubt on SponsorsOne Inc.'s ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 29, 2014

SPONSORSONE INC.

Consolidated Statements of Financial Position
As at December 31,

	Note		2013		2012
Assets					
Current assets:					
Cash and cash equivalents		$	167,863	$	-
Other receivables	16		107,201		727
Prepayments and deposits			21,417		-
			296,481		727
Investments	17		10,000		-
Capital assets	5		168,119		182,168
Intangible assets	6		295,139		-
		$	769,739	$	182,895
Liabilities and Shareholders' Equity (Deficiency)					
Current liabilities:					
Accounts payable and accrued liabilities		$	465,130	$	34,589
Current portion of long-term debt	7		8,842		8,225
Due to shareholders			-		477,503
			473,972		520,317
Long-term liabilities:					
Long-term debt	7		183,300		190,743
			657,272		711,060
Shareholders' equity (deficiency):					
Share capital	8		1,416,627		1
Warrants	9		948,551		-
Share-based payment reserve	10		86,178		-
Accumulated deficit			(2,338,889)		(528,166)
			112,467		(528,165)
		$	769,739	$	182,895

Going concern – *note 1*

Subsequent events – *note 18*

Approved by the Board

"Gary Bartholomew" — Director

"Doug Beynon" — Director

The accompanying notes are an integral part of these consolidated financial statements

SPONSORSONE INC.

Consolidated Statements of Comprehensive Loss
For the years ended December 31,

	Note		2013		2012
Operating expenses:					
Sales, general and administrative		**$**	**668,094**	$	151,790
Research and development			**136,652**		-
Depreciation	**5 & 6**		**145,511**		15,383
Listing costs	**4**		**846,523**		-
Loss before finance expense			**1,796,780**		167,173
Finance expense			**13,943**		15,486
Net loss and comprehensive loss		**$**	**1,810,723**	$	182,659
Weighted average number of common shares			**7,831,290**		100
Loss per share - basic and diluted		**$**	**0.23**	$	1,826.59

The accompanying notes are an integral part of these consolidated financial statements

SPONSORSONE INC.

Consolidated Statements of Changes in Equity
For the years ended December 31, 2013 and 2012

	Number of common shares	Share capital	Warrants	Share-based payment reserve	Deficit	Total
Balance at December 31, 2011	100	$ 1	$ -	$ -	$ (345,507)	$ (345,506)
Net loss for the year	-	-	-	-	(182,659)	(182,659)
Balance at December 31, 2012	100	$ 1	$ -	$ -	$ (528,166)	$ (528,165)
Shares issued for reverse acquisition	1,068,320	320,496		-	-	320,496
Shares issued on acquisition of intangible assets	5,833,333	425,000	-	-	-	425,000
Shares issued on private placements, net	5,833,903	564,993	848,688	-	-	1,413,681
Shares issued for settlement of payables	686,667	106,137	99,863	-	-	206,000
Share-based payments	-	-	-	86,178	-	86,178
Net loss for the year	-	-	-	-	(1,810,723)	(1,810,723)
Balance at December 31, 2013	**13,422,323**	**$ 1,416,627**	**$ 948,551**	**$ 86,178**	**$ (2,338,889)**	**$ 112,467**

The accompanying notes are an integral part of these consolidated financial statements

SPONSORSONE INC.

Consolidated Statements of Cash Flows
For the year ended December 31,

	Note	2013	2012
Cash flows from operating activities:			
Net loss for the year		**$ (1,810,723)**	$ (182,659)
Adjustments for			
Depreciation	**5 & 6**	**145,511**	15,383
Share-based compensation	**10**	**86,178**	-
Non-cash listing costs	**4**	**563,898**	-
Change in non-cash operating working capital			
Other receivables		**(106,474)**	(727)
Prepayments and deposits		**(21,417)**	4,000
Accounts payable and accrued liabilities		**423,007**	20,989
		(720,020)	(143,014)
Cash flows from financing activities:			
Private placement of common shares & warrants, net of issuance costs	**8**	**813,680**	-
Proceeds from due to shareholder		**122,498**	150,655
Repayment of due to shareholder		**(29,986)**	-
Proceeds from note payable		**40,000**	-
Payment of note payable		**(40,000)**	-
Payment of long-term debt	**7**	**(6,826)**	(7,641)
		899,366	143,014
Cash flows from investing activities:			
Investment in property and equipment		**(1,601)**	-
Investment		**(10,000)**	-
Net cash acquired in reverse takeover		**118**	-
		(11,483)	-
Increase in cash and equivalents		**167,863**	-
Cash and cash equivalents, beginning of year		**-**	-
Cash and cash equivalents, end of year		**$ 167,863**	$ -

1. Nature of Operations and Going Concern

SponsorsOne Inc. (formerly New International Infopet Systems Ltd., or “Infopet”) (the "Company" or “SponsorsOne”) was incorporated under the laws of the Province of Ontario on March 9, 1965. The primary office is located at 99 Randall Drive, Suite 2, Waterloo, Ontario, Canada, L2V 1C5.

MXM Nation Inc. (“MXM”) was incorporated on February 2, 2005 under the Business Corporations Act of Ontario, Canada. On December 19, 2013, MXM completed a reverse takeover transaction of Infopet. For accounting purposes, MXM is considered the acquirer and Infopet the acquiree. Additional information on the transaction is available in Note 4.

The Company is an early stage technology company developing a sponsorship platform that resides in the cloud. This cloud based platform called “SponsorsCloud” plans to connect thousands of corporations to millions of users within thousands of social networks facilitating one-to-one engagement.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of the business for the foreseeable future. Historically the Company has had operating losses, negative cash flows from operations and working capital deficiencies.

The Company has relied on financing from its shareholders and officers as well as equity raises to fund operations to date. There can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not reflect adjustments or classifications which might be necessary if the Company was not able to continue as a going concern.

The Board of Directors approved the Company's financial statements on April 29, 2014.

2. Basis of Preparation

Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value, as detailed in the Company’s accounting policies.

Statement of Compliance

The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee (“IFRIC”).

Functional currency

The Company and its subsidiary’s functional currency, as determined by management is Canadian dollars. These financial statements are presented in Canadian dollars.

2. Basis of Preparation (continued)

Consolidation

The financial statements of the Company include the accounts of the Company and its subsidiary. All intercompany transactions have been eliminated. Subsidiaries are consolidated from the date of acquisition, being the date on which the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies in all material respects.

Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include all cash on demand and interest bearing deposits with original maturities of three months or less.

Foreign currency translation

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency at the rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange in effect at the reporting date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Any differences are recognized in net income or loss.

Capital assets

The Company records capital assets at cost and provides for depreciation over the useful lives of the assets using the straight-line method over 3 years for computer and office equipment, and 10 to 20 years for transportation equipment.

In the year of disposal, the resulting gain or loss is included in the statements of comprehensive loss and the cost of assets retired or otherwise disposed and the related accumulated depreciation are eliminated from these accounts.

3. Significant Accounting Policies (continued)

Research and development costs and intangible assets

Research costs are expensed as incurred. The Company has not capitalized development expenditures to date. An intangible asset may be recognized in future periods if the Company can demonstrate:

- the technical feasibility of completing the intangible asset so it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably of the expenditure during development.

Intangible assets that are acquired are capitalized. Capitalized development costs will be amortized over the expected life of the related products, which is generally expected to be 24 to 36 months. Intangible assets consist of system architecture and design, patent applications, customer lists, and application code, design and branding.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options for employee services is measured at grant date, using the Black- Scholes option pricing model, and is recognized over the vesting period of the options using the graded vesting method. The fair value is recognized as an expense with the corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments for non-employee services are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

Income tax

Income tax expense consisting of current and deferred tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

3. Significant Accounting Policies (continued)

Income tax – continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in profit or loss. The Company classifies its cash and cash equivalents as fair value through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity dates. They are initially recognized at fair value and subsequently carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company classifies its other receivables and investments as loans and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are initially recognized at fair value and subsequently are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income, within equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that the future cash flows associated with a financial asset or a group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets described above.

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired.

Fair value through profit or loss – this category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities – items in this category are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company classifies its accounts payable and accrued liabilities, long-term debt and due to shareholder as other financial liabilities.

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment of non-financial assets

The Company reviews its tangible and intangible assets for indications of impairment at the end of each reporting period or when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any indication of impairment exists, the asset's recoverable amount is estimated. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the assets belong. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment loss is recognized when the carrying amount of an asset, or its CGU, exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. In determining the value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased by the revised estimate of its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of such impairment loss is also recognized in profit or loss.

3. Significant Accounting Policies (continued)

New accounting standards

The Company has adopted the following IFRS accounting standards as of January 1, 2013 with no material impact on the consolidated financial statements:

- IFRS 7: Financial instruments, disclosures
- IFRS 10: Consolidated financial statements
- IFRS 11: Joint arrangements
- IFRS 12: Disclosure of interest in other entities
- IFRS 13: Fair value measurement
- IAS 28: (Revised 2011) Investments in associates and joint ventures

Future accounting standards

Standards issued but not yet effective up to the date of issuance of these financial statements are listed below. This list is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9, Financial Instruments: Classification and Measurement, effective for annual periods yet to be determined.

4. Reverse takeover Transaction

On December 19, 2013, MXM completed a reverse takeover of Infopet (the "Transaction"). Infopet acquired all of the issued and outstanding shares of MXM by issuing one unit for each MXM common share held. Each unit consisted of one common share of Infopet and one-half warrant exercisable at $0.65 for one common share of Infopet, expiring one year from the date of the transaction.

Each of the stock options and warrants to purchase common shares of MXM were exchanged and retain all original terms but are now exercisable for one common share of Infopet. After closing of the Transaction, the name of the Company was changed to SponsorsOne Inc.

This Transaction has been accounted for as a reverse acquisition that does not constitute a business combination. For accounting purposes, these financial statements reflect a continuation of the financial position, operating results and cash flows of the Company's legal subsidiary, MXM.

4. Reverse takeover Transaction (continued)

Consideration transferred (1,068,320 shares at a price of $0.30 per share)	**$**	**320,496**
Net assets acquired:		
Cash and cash equivalents	$	118
Accounts payable and accrued liabilities		(7,534)
Due to shareholders		(235,986)
		(243,402)
Excess attributed to cost of listing		563,898
Total	**$**	**320,496**
Listing cost		
Excess attributed to cost of listing	$	563,898
Legal		200,000
Other		82,625
	$	**846,523**

The price per share of $0.30 was based on the fair value of MXM common shares immediately prior to the Transaction.

5. Capital Assets

		Computer equipment		Vehicles		Total
Cost						
At December 31, 2011	$	2,123	$	219,596	**$**	**221,719**
At December 31, 2012		2,123		219,596		**221,719**
Additions		1,601		-		**1,601**
At December 31, 2013	**$**	**3,724**	**$**	**219,596**	**$**	**223,320**
Accumulated depreciation						
At December 31, 2011	$	-	$	24,168	**$**	**24,168**
Additions		708		14,675		**15,383**
At December 31, 2012		708		38,843		**39,551**
Expense for the period		975		14,675		**15,650**
At December 31, 2013	**$**	**1,683**	**$**	**53,518**	**$**	**55,201**
Net book value						
At December 31, 2012	$	1,415	$	180,753	**$**	**182,168**
At December 31, 2013	$	2,041	$	166,078	**$**	**168,119**

6. Intangible assets

	System architecture and design	Patent applications	Customer lists	Application code, design, branding	Total
Cost					
At December 31, 2011 & 2012	$ -	$ -	$ -	$ -	**$ -**
Additions	200,000	150,000	25,000	50,000	**425,000**
At December 31, 2013	**$ 200,000**	**$ 150,000**	**$ 25,000**	**$ 50,000**	**$ 425,000**
Accumulated depreciation					
At December 31, 2011 & 2012	$ -	$ -	$ -	$ -	**$ -**
Expense for the year	61,111	45,833	7,639	15,278	**129,861**
At December 31, 2013	**$ 61,111**	**$ 45,833**	**$ 7,639**	**$ 15,278**	**$ 129,861**
Net book value					
At December 31, 2012	$ -	$ -	$ -	$ -	**$ -**
At December 31, 2013	$ 138,889	$ 104,167	$ 17,361	$ 34,722	**$ 295,139**

The Company purchased property with a value of $425,000 in exchange for the issuance of 5,833,333 common shares.

7. Loans Payable

In February 2007, a company controlled by an officer of the Company entered into a loan agreement for the purchase of equipment. As the Company holds an exclusive use agreement over the equipment, which was obtained for the benefit of the Company, and the Company has agreed to pay for all reasonable costs associated with using and financing the equipment, the equipment and corresponding loan obligation are recorded on the Company's records. The loan amount was $42,043, maturing February 2023 bearing interest at 6.69%. The loan was refinanced at 7.71% for another five years effective February 2012. The equipment serves as collateral for the loan. As at December 31, 2013 the balance of this loan was $29,525 (2012 – $31,660).

In March 2011, an officer of the Company entered into a loan agreement for the purchase of equipment. As the Company holds an exclusive use agreement over the equipment, which was obtained for the benefit of the Company, and the Company has agreed to pay for all reasonable costs associated with using and financing the equipment, the equipment and corresponding loan obligation are recorded on the Company's records. The loan amount was $176,910, maturing February 2028 bearing interest at 7.64%. The loan was refinanced at 7.10% in August 2013, with the maturity date unchanged. The equipment serves as collateral for the loan. As at December 31, 2013 the balance of this loan was $162,617 (2012 – $167,308).

On July 5, 2013, the Company entered into a loan agreement for $40,000. The loan matured when the Company raised $150,000 in equity financing and was repaid during the year.

The following table summarizes the payments and interest payable for the next five years:

	December 31, 2013	December 31, 2012
Payments due within one year	**22,374**	23,164
Payments due years two to five	**89,497**	115,818
Total Interest paid	**60,506**	67,632

8. Share Capital

Common Shares

The Company is authorized to issue an unlimited number of common shares.

On February 5, 2013, the Company issued 5,833,333 common shares to an officer of the Company in exchange for the transfer of intangible property valued at $425,000 (notes 6 & 13).

On February 12, 2013, the Company issued 1,666,567 common shares to companies controlled by an officer of the Company for consideration consisting of $249,999 in advances and expenses paid on behalf of the Company (note 13).

On February 19, 2013, the Company issued 500,000 common shares to a company controlled by an officer of the Company for consideration consisting of $150,000 in advances and expenses paid on behalf of the Company (note 13).

In September through November 2013, the Company completed a non-brokered private placement of $1,100,200 in equity financing at a price of $0.30 per unit. Each unit consisted of one common share and one warrant exercisable into one common share for $0.30, expiring two years from the date of the reverse takeover transaction. Transaction costs of $86,520, finder's and agent warrants of $183,110, and warrants of $665,578 were deducted. Cash proceeds of $900,200 less costs were received, while $200,000 was received as consideration in advances and expenses paid on behalf of the Company.

As part of the reverse takeover transaction, on December 19, 2013, 1,068,320 common shares were issued to former Infopet shareholders, valued at $0.30 per share for a total of $320,496.

On December 19, 2013, immediately following the closing of the reverse takeover transaction, the Company converted $206,000 of outstanding debt owed to a former officer of Infopet into 686,667 common shares and 686,667 warrants. The warrants are exercisable for $0.30 and expire 2 years from the date of issuance. $106,137 was assigned to the value of the common shares and $99,863 to the warrants.

9. Warrants

Expiry date		Number of warrants	Weighted average exercise price
December 19, 2015	(a)	395,764	$0.30
December 19, 2015	(b)	750,000	$0.30
December 19, 2015	(c)	4,167,336	$0.30
December 19, 2014	(d)	5,833,674	$0.65
December 19, 2015	(e)	686,667	$0.30
Balance at December 31, 2013		**11,833,441**	**$0.47**

(a) As part of the September through November 2013 equity raise, 395,764 finder's warrants were issued. These warrants are exercisable into common shares at an exercise price of $0.30 for a period of 2 years from the date of the reverse takeover transaction. These finder's warrants were valued at $63,249.

(b) As part of the September through November 2013 equity raise, 750,000 agent warrants were issued. These warrants are exercisable into common shares at an exercise price of $0.30 for a period of 2 years from the date of the reverse takeover transaction. These warrants were valued at $119,861.

9. Warrants (continued)

(c) As part of the September through November 2013 equity raise, 4,167,336 warrants were issued to investors as part of a unit private placement. These warrants are exercisable into common shares at an exercise price of $0.30 for a period of 2 years from the date of the reverse takeover transaction. These warrants were valued at $665,578.

(d) As part of the reverse takeover transaction (note 4), 5,833,674 warrants were issued to the shareholders of MXM (11,667,348 half warrants). Each whole warrant is exercisable into one common share at an exercise price of $0.65 for a period of 1 year from the date of the reverse takeover transaction. No value was assigned to these warrants as there was no consideration given.

(e) On December 19, 2013, immediately following the closing of the reverse takeover transaction, the Company converted $206,000 of outstanding debt owed to a former officer of Infopet into 686,667 common shares and 686,667 warrants (note 13). The warrants are exercisable for $0.30 and expire 2 years from the date of issuance. $99,863 was assigned to the value of the warrants.

The fair value of warrants were estimated using the Black-Scholes option pricing model under the following assumptions:

Fair value of common share	$0.30
Volatility - estimate based on comparable companies	100%
Risk-free interest rate	1.97% to 2.57%
Expected life (years)	2.00
Dividend yield	Nil

10. Stock Options

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees, and consultants enabling them to acquire up to 15% of the issued and outstanding common stock of the Company. The options granted can be exercised for a maximum of 10 years and vest as determined by the Board of Directors. The exercise price of each option may not be less than the fair market value of the common shares on the date of grant.

The option details of the Company are as follows:

	Expiry date	Weighted Average Exercise Price	Number of Options	Vested and exercisable
Balance at December 31, 2011 & 2012		$0.00	-	-
Granted - January 1, 2013	January 1, 2023	$0.15	100,000	100,000
Granted - January 1, 2013	January 1, 2023	$0.30	535,000	42,500
Granted - January 10, 2013	January 10, 2023	$0.15	100,000	100,000
Granted - January 27, 2013	January 27, 2023	$0.15	50,000	50,000
Granted - January 27, 2013	January 27, 2023	$0.30	200,000	-
Granted - February 25, 2013	February 25, 2023	$0.15	50,000	50,000
Granted - February 25, 2013	February 25, 2023	$0.30	200,000	-
Granted - July 1, 2013	July 1, 2023	$0.30	50,000	20,000
Granted - July 24, 2013	July 24, 2023	$0.30	50,000	-
Granted - July 26, 2013	July 26, 2023	$0.30	50,000	-
Balance at December 31, 2013		**$0.27**	**1,385,000**	**362,500**

10. Stock Options (continued)

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2013	**2012**
Volatility - estimate based on comparable companies	100%	N/A
Risk-free interest rate	1.87% to 2.50%	N/A
Expected life (years)	10 years	N/A
Dividend yield	Nil	N/A
Forfeiture rate	15%	N/A
Exercise price	$0.15 to $0.30	N/A
Share price	$0.07 to $0.30	N/A

11. Financial Instruments and Financial Risks

Fair Value

The Company has determined that the carrying values of other receivables, short term investments, accounts payable and accrued liabilities and due to shareholder approximates their fair values due to the current nature of these instruments. The fair value of long-term debt is based on the discounted value of future cash flows under the current financial arrangements at the interest rate the Company expects to currently negotiate for loans with similar terms and conditions and maturity dates. The fair value of long-term debt approximates its carrying value due to the current market rates.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents and other receivables.

The Company’s credit risk is primarily attributable to cash and HST recoverable. Management believes that the credit risk with respect to cash is remote as it maintains accounts with highly rated financial institutions and the Government of Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities.

As described in note 1, the Company has disclosed certain conditions which may cast doubt about its ability to continue as a going concern.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

11. Financial Instruments (continued)

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values. The Company's long term debt has a fixed rate of interest, which are not up for renewal until 2023 and 2028 respectively.

Foreign currency risk

The Company is not exposed to any significant foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

12. Capital Management

The Company monitors its common shares, warrants and share-based payment reserve as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

There have been no changes to the Company's approach to capital management during the years ended December 31, 2013 and 2012. The Company is not subject to externally imposed capital requirements.

13. Related Party Transactions

The amounts due from (to) related parties as at:

	2013	2012
Due to a company controlled by an officer	**-**	477,503
Due from a company controlled by a director	**2,300**	-

The following table outlines the Company's related party transactions for the periods ending:

	2013	2012
Transfer of Intangible Property by an officer of the Company (note 6&9)	**425,000**	-
Shares issued to a company controlled by a director of the Company to settle expense reimbursement amounts due (note 9)	**599,999**	-
Shares issued to a former officer of the Company to settle amounts due (note 9)	**206,000**	-

Remuneration of key management personnel of the Company for the year ended December 31, 2013 included $450,606 of short term compensation (2012 – $Nil) and $77,531 of share-based compensation (2012 – $Nil).

14. Commitments

The Company is committed to the rental of facilities. Future minimum lease payments are as follows: $63,420 in 2014.

15. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rates for the years ended December 31 is as follows:

	2013	2012
Combined basic federal and provincial income tax rate	**26.5%**	15.5%
Expected combined Canadian federal and provincial tax recovery based on above rates	**(479,842)**	(27,686)
Non-deductible expenses	**121,027**	79
Tax rate changes and other adjustments	**(102,631)**	-
Changes in tax benefits not recognized	**461,446**	27,607
Total income tax expense (recovery)	**-**	-

The 2013 statutory rate of 26.5% differs from the 2012 statutory rate of 15.5% because of a change in the type of corporation to public.

15. Income Taxes (continued)

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

As at December 31,	**2013**	2012
Capital and intangible assets	**185,100**	39,548
Loss carry-forwards	**1,672,270**	510,891
Share issuance costs	**86,520**	-

The non-capital loss carry forwards expire between 2026 and 2034. Share issue costs will be fully amortized by 2032. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

16. Other receivables

Other receivables consist of $104,783 HST recoverable (2012 - $nil) and $2,418 other receivables (2012 - $nil).

17. Investments

The Company holds $10,000 in 2-year GIC, bearing interest at 1.40% per annum. The GIC is used to secure the Company's credit card facility.

18. Subsequent Events

NFU Inc. Acquisition

Subsequent to the year, the Company entered into a term sheet to acquire NFU Inc. ("NFU"), a Toronto-based digital marketing and creative agency. The Company intends to issue up to 1,000,000 shares at a price of $0.90 per share for a total of $900,000. These shares will be issued under the following schedule: 20% at closing, 20% six months after closing, 30% on the first anniversary of closing, and the remaining 30% issued eighteen months after closing. The final 30% tranche of shares will be subject to NFU meeting certain performance criteria.

The pending acquisition is conditional on board approval, regulatory approval, due diligence and the negotiation of definitive documentation.

Warrant exercise

Subsequent to the year, 366,667 warrants were exercised for gross proceeds of $110,000.

Stock options

Subsequent to the year, 150,000 stock options were issued, exercisable at $0.95 per share for a period of 10 years from the date of grant. 50,000 options vested immediately, with the remainder vesting 10% upon issuance, and 45% on each anniversary thereafter until fully vested.

SPONSORSONE INC.
(formerly NEW INTERNATIONAL INFOPET SYSTEMS LTD.)
99 Randall Drive, Suite 2
Waterloo, Ontario, L2V 1C5

Management's Discussion and Analysis of Financial Condition and Operating Results

For The Year Ended
October 31, 2013

Prepared by Management

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS

The following Management's Discussion and Analysis of Financial Condition and Operating Results ("MD&A") for SponsorsOne Inc. (formerly New International Infopet Systems Ltd.) ("SponsorsOne" or the "Company") should be read in conjunction with the audited annual financial statements for the year ended October 31, 2013 and 2012 and the Notes thereto as well as the listing statement dated December 19, 2013. The MD&A constitutes management's review of the factors that affected the Company's financial and operating performance for year ended October 31, 2013.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as at February 26, 2014, unless otherwise indicated.

The audited annual financial statements for the year ended October 31, 2013, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Further information about the Company and its operations is available on SEDAR at **www.sedar.com**.

Except for the historical statements contained herein, this Management's Discussion and Analysis presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of Company and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and other risks described in the Risk Factor section and described from time to time in documents filed by the Company with Canadian securities regulatory authorities. Consequently, all forward-looking statements made in this MD&A are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company.

Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Selected forward looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
The Company is searching for new business opportunities.	The Company expects to identify an asset or business to acquire.	The Company's inability to identify an asset or business to acquire.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending October 31, 2014	The operating activities of the Company for the twelve-month period ending October 31, 2014, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions

Overview

SponsorsOne is the next evolution of digital marketing, enabling one-to-one authentic engagement between brands and online enthusiasts through social sponsorship and commerce. SponsorsOne is developing the social sponsorship and commerce platform, assembling a global creative team, and affiliating social networks and top influencers to empower marketers to develop long-term, high-value relationships with their consumers. With the SponsorsCloud system, brands and influencers can identify and sponsor their online enthusiasts. The xCredit is the currency that gives the consumers and fans real compensation for their authentic blogs, videos, tweets, pins and posts. The Company is building the engine for the social economy.

The Company completed a reverse takeover (the "RTO") by MXM Nation Inc. ("MXM") on December 19, 2013 and changed its name to SponsorsOne Inc. on January 9, 2014.

Overall Performance

There were no notable events during the year ended October 31, 2013. The Company concentrated on searching for prospective assets and businesses to acquire or merge with.

At October 31, 2013, the Company had cash of $7,697 and a deficit of $2,031,799. This compares with cash of $135 and a deficit of $2,011,146 at October 31, 2012.

At October 31, 2013, the Company had $228,466 of current liabilities (October 31, 2012 - $200,251).

At October 31, 2013, the Company had a working capital deficiency of $220,769 compared to a working capital deficiency of $200,116 at October 31, 2012.

The Company believes that additional financing will be required to fund its operating expenses as it searches for suitable assets and businesses to merge with or acquire. The Company is economically dependent on related parties for financing its ongoing operations.

Trends

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company’s operations and incorporates these estimates in both short-term operating and long-term strategic decisions. Apart from these and the risk factors noted under the heading “Risk Factors”, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company’s business, financial condition or results of operations.

Selected Annual Information

The financial information disclosed below has been prepared in accordance with IFRS and is reported in Canadian dollars.

The following tables set forth selected financial data from the Company’s accompanying audited financial statements and should be read in conjunction with those financial statements.

Description	**2013**	**2012**	**2011**
Revenue	$12,000	$10,000	$8,000
Net income (loss) for the year	$(20,653)	$(2,028)	$(569)
Net income (loss) per share – basic and diluted	$(0.02)	$(0.00)	$(0.00)
Total assets	$7,698	$136	$1,260

Selected Quarterly Information

Three Months Ended	**Total Sales ($)**	**Profit or Loss**	
		Total ($)	**Per Share ($)**
October 31, 2013	-	(22,290)	(0.02)
July 31, 2013	-	(2,254)	(0.00)
April 30, 2013	-	8,219	0.01
January 31, 2013	-	(4,328)	(0.00)
October 31, 2012	-	(1,105)	(0.00)
July 31, 2012	-	(1,108)	(0.00)
April 30, 2012	-	1,120	0.00
January 31, 2012	-	(935)	(0.00)

Results of Operations

Year ended October 31, 2013, compared with year ended October 31, 2012

For the year ended October 31, 2013, the Company reported a net loss of $20,653 (basic and diluted income per share - $0.02) versus a net loss of $2,028 (basic and diluted loss per share – $0.00) in 2012. Revenue in both years related to consulting fees earned from the Company’s president. Consulting fees amounted to $12,000 in the current year compared to $10,000 in the comparative year. Expenses in the current year related primarily to professional fees associated with the Company’s transaction (see ‘Subsequent Events’ below), accounting fees and regulatory filing fees to keep the Company compliant with its public company reporting and disclosure obligations. Professional fees were $27,743 for the current year compared to $9,944 in the comparative year. The increase in the current year was related to the Company’s transaction (see ‘Subsequent Events’ below). Office fees were $4,910 for the current year compared to $2,084 in the comparative year.

Liquidity

The Company has a significant working capital deficiency and is economically dependent on various related parties for financing its ongoing operations. At October 31, 2013, the Company had a working capital deficiency of $220,769 (October 31, 2012 - $200,116). The Company's primary use of funds was applied to operating expenses.

The Company's current assets as of October 31, 2013 were $7,697 which consists of cash (October 31, 2012 – cash of $135). Long-term assets as of October 31, 2013 were $1 which consists of 1,000 common shares of International Infopet Systems Inc., a privately owned company registered in Delaware, United States. This holding represents a one-third interest in that corporation (October 31, 2012 – $1).

The Company exercises significant influence over the investee and uses the equity method to account for its investment. During 2004, the investment became permanently impaired and was written down to a nominal amount of $1. Any subsequent increase in value will be recognized only when the investment becomes profitable.

The Company's current liabilities at October 31, 2013 were $228,466 (October 31, 2012 - $200,251). Included in current liabilities is accounts payable and accrued liabilities of $9,980 (October 31, 2012 - $8,765) and amounts due to related parties of $218,486 (October 31, 2012 - $191,486).

The Company will require additional sources of revenue or further advances from related parties to meet its current and future working capital obligations.

The Company's past primary source of liquidity and capital resources has been advances from related parties and consulting revenue. The Company does not currently have any contracts or commitments for capital expenditures. At present, the Company does not have sufficient resources to fund its current working capital requirements. The Company may be required to obtain additional financing by way of debt, issuance of common shares or some other means to service its working capital requirements, any additional or unforeseen obligations or to implement any future opportunities.

Capital Resources

At present, the Company's operations are inactive. The Company does not have any contracts or commitments for capital expenditures. The Company will be required to obtain external financing in order to participate in any opportunities. In order to obtain sufficient financing, the Company may be required to obtain a listing of its common shares. If the Company issued additional common shares from treasury, it would cause the current shareholders of the Company to be diluted.

Off- Balance Sheet Transactions

The Company has no off balance sheet arrangements.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The transactions noted below are in the normal course of business and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) Amounts due to related parties by the Company at October 31, 2013 and October 31, 2012 are as follows:

	As at October 31, 2013	As at October 31, 2012
Dapaul Management Limited (as trustee) (i)	**$ 157,586**	$ 157,586
857710 Ontario Limited (ii)	**32,445**	32,445
Due to former president (iii)	**28,455**	1,455
	$ 218,486	$ 191,486

(i) The former president of the Company owns 100% of Dapaul Management Limited. The amount due is non-interest bearing and payable on demand.

(ii) 857710 Ontario Limited is a corporation controlled by the former president of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(iii) The amount is due to the former president of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(b) During the year ended October 31, 2013, the Company received $12,000 from the Company's former president for consulting services rendered to him (year ended October 31, 2012 - $10,000).

Economic dependence

The Company is economically dependent on the above related parties for financing of its ongoing operations.

New Accounting Policies

Amendments to IAS 1 Presentation of Financial Statements
On November 1, 2012, the Company adopted IAS 1 Presentation of Financial Statements (amendments to IAS 1), issued by the IASB in June 2011. The amendments require items presented in the statement of other comprehensive income to be categorized according to whether the items will or will not be reclassified to income at a future date. The adoption did not impact the Company's financial results.

Future Accounting Changes

IFRS 9 Financial Instruments
In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, will be effective for annual periods beginning on or after January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company’s financial statements.

IFRS 13 Fair Value Measurement
On May 12, 2011, the IASB issued IFRS 13 Fair Value Measurement (IFRS 13). IFRS 13, which is to be applied prospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 13 defines fair value, provides a framework for measuring fair value and includes disclosure requirements for fair value measurements. IFRS 13 will be applied in cases when another IFRS requires (or permits) fair value measurement. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's financial statements.

Other
In June 2011, the IASB issued amendments to IFRS 7 Financial Instruments: Disclosures. The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

In May 2011, the IASB issued IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The Company does not believe the changes resulting from these new standards are relevant to its financial statements.

In June 2011, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 19 Employee Benefits, primarily related to accounting for defined benefit pension plans. The Company does not believe the changes resulting from these amendments will have an impact on its financial statements.

Capital Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future business opportunities, and pursuit of business or asset acquisitions; and
- To maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be share capital, reserve and deficit which at October 31, 2013 totalled a deficit balance of $220,768 (October 31, 2012 **-** deficit balance of $200,115).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended October 31, 2013. The Company is not subject to any capital requirements imposed by a lending institution.

Financial Instruments

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

Credit Risk

The Company is exposed to credit risk through its cash, which is held at a Canadian chartered bank. The Company believes this credit risk is insignificant.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At October 31, 2013, the Company had a cash balance of $7,697 (October 31, 2012 - $135) to settle current liabilities of $228,466 (October 31, 2012 - $200,251). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

It is expected that the Company will render one invoice annually for consulting fees to the President/Chief Executive Officer of the Company in an amount sufficient to cover its ongoing operating expenses.

Fair Values

The fair values of cash, accounts payable, accrued liabilities and due to related parties approximate their carrying values due to the short-term to maturity of these financial instruments.

Sensitivity analysis

The Company does not have significant financial instruments as at October 31, 2013. A one percentage point increase or decrease in the Company's financial instruments would not have a significant impact on profit or loss.

Subsequent Events

Transaction

The Company completed a reverse takeover (the “RTO”) by MXM Nation Inc. (“MXM”) on December 19, 2013. The RTO was preceded by a non-brokered private placement by MXM for gross proceeds of $1,250,000 (the “Private Placement” and together with the RTO, the “Transaction”).

On December 13, 2013, the Canadian National Stock Exchange (the “CNSX”) issued its conditional approval of the listing of the common shares of the Company (the “Common Shares”) upon completion of the Transaction.

Prior to and in connection with the closing of the RTO, throughout 2013, MXM completed the Private Placement, which was a non-brokered private placement of common shares in the capital of MXM (the “MXM Shares”) for gross proceeds of $1,250,000. Under the Private Placement, MXM issued 4,166,664 MXM Shares at a price of $0.30 per MXM Share and 4,166,664 common share purchase warrants of MXM (the “MXM Warrants”) that are exercisable to purchase one MXM Share for a period of two years from the date of issuance at a price of $0.30 per MXM Share.

Pursuant to the RTO, the Company acquired all of the issued and outstanding MXM Shares, including those issued pursuant to the Private Placement. The acquisition price for each outstanding MXM Share was $0.40 per MXM Share which was satisfied by the delivery of a unit comprised of one Common Share and one half of one common share purchase warrant of the Company that is exercisable to purchase one Common Share for a period of one year from the date of issuance at a price of $0.65 per Common Share. The Company also exchanged, on a one for one basis, all of the outstanding warrants and options of MXM for warrants and options of the Company. Immediately following the closing, the Company converted $206,000 of outstanding debt owing to its prior President and Chief Executive Officer into 686,667 Common Shares and 686,667 common share purchase warrants. The remaining related party balance was paid in cash. With the completion of the Transaction, MXM has become a wholly-owned subsidiary of the Company and the Company has issued and outstanding 13,422,321 Common Shares, 11,833,432 common share purchase warrants and 1,385,000 options.

NFU Inc. Acquisition

Subsequent to the year, the Company entered into a term sheet to acquire NFU Inc. ("NFU"), a Toronto-based digital marketing and creative agency. The Company intends to issue up to 1,000,000 shares at a price of $0.90 per share for a total of $900,000. These shares will be issued under the following schedule: 20% at closing, 20% six months after closing, 30% on the first anniversary of closing, and the remaining 30% issued eighteen months after closing. The final 30% tranche of shares will be subject to NFU meeting certain performance criteria.

The pending acquisition is conditional on board approval, regulatory approval, due diligence and the negotiation of definitive documentation.

Name change

On January 9, the Company changed its corporate name to SponsorsOne Inc.

Other MD&A Requirements

Additional Information

Additional information relating to the Company may be obtained or viewed from the System for Electronic Data Analysis and Retrieval at www.sedar.com.

Share Capital as at the date of this MD&A

Common shares	- 13,422,323
Warrants	- 11,833,432
Stock options	- 1,385,000

Risk factors

Please refer to the risk factors outlined in the listing statement dated December 19, 2013